

FEDERAL COMMUNICATIONS COMMISSION

Washington, D. C. 20554

JAN 09 2004

OFFICE OF
MANAGING DIRECTOR

Mr. Aaron P. Shainis
Shainis & Peltzman, Chartered
1850 M Street, N.W., Suite 240
Washington, DC 20036

Re: Request for Waiver of FY 2003 Regulatory
Fees on behalf of Hispanic Keys
Broadcasting Corp.
Fee Control No. 00000RROG-04-022

Dear Mr. Shainis:

This letter responds to your request dated September 25, 2003 for deferral and waiver of the regulatory fees for Fiscal Year (FY) 2003 filed on behalf of Hispanic Keys Broadcasting Corp. (Hispanic Keys), licensee of WVIB (TV) (\$43,225); WVEB-CA (\$365); and WMV-848 (\$10), because of financial hardship. The total amount at issue for these stations is \$43,600.

In establishing a regulatory fee program, the Commission recognized that in certain instances payment of a regulatory fee may impose an undue financial hardship upon a licensee. The Commission therefore decided to grant waivers or reductions of its regulatory fees in those instances where a "petitioner presents a compelling case of financial hardship." See Implementation of Section 9 of the Communications Act, 9 FCC Rcd 5333, 5346 (1994), recon. granted, 10 FCC Rcd 12759 (1995). In reviewing a showing of financial hardship, the Commission relies upon a licensee's cash flow, as opposed to the entity's profits, to determine whether the station lacks sufficient funds to pay the regulatory fee and maintain service to the public. Thus, even if a station loses money, any funds paid to principals, as well as deductions for depreciation and amortization and similar items that do not affect cash flow, are considered funds available to pay the fees.

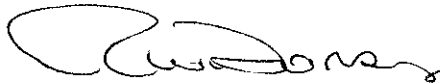
In support of your request you submit a copy of Hispanic Keys' 2002 U.S. Income Tax Return for an S Corporation and associated schedules and attachments. These papers show that although Hispanic Keys reported a financial loss in 2002 of \$128,222, the loss resulted from its deductions for depreciation and amortization of \$39,315 and \$225,257, respectively.¹ Thus, Hispanic Keys had sufficient funds from its deductions for depreciation and amortization from which it could pay its 2003 regulatory fees. Accordingly, Hispanic Keys has failed to make a compelling showing of financial hardship, and we deny its waiver request.

¹ The amortization expense was included under other deductions in Hispanic Keys' tax return.

You also request confidential treatment of the materials that you submitted with your fee deferral and waiver request. Pursuant to Section 0.459(d)(1) of the Commission's rules, 47 C.F.R. 0.459(d)(1), we do not routinely rule on requests for confidential treatment until we receive a request for access to the records. The records are treated confidentially in the meantime. If a request for access to the information submitted in conjunction with your regulatory fees is received, you will be notified and afforded the opportunity to respond at that time.

If you have any questions concerning this letter, please contact the Revenue and Receivables Operations Group at (202) 418-1995.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark A. Reger', with a stylized flourish at the end.

 Mark A. Reger
Chief Financial Officer